

Message Text

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47

ACTION ARA-20

INFO OCT-01 EUR-25 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00

CIEP-02 COME-00 DODE-00 EB-11 FEA-02 FPC-01 H-03

INR-10 INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01

SAM-01 SCI-06 SP-03 SS-20 STR-08 TRSE-00 PA-04 PRS-01

USIA-15 DRC-01 FRB-02 XMB-07 OPIC-12 LAB-06 SIL-01

/222 W

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P R 241406Z MAY 74

FM AMEMBASSY PORT OF SPAIN

TO SECSTATE WASHDC PRIORITY 6452

INFO AMEMBASSY BRIDGETOWN

AMEMBASSY CARACAS

AMEMBASSY GEORGETOWN

AMEMBASSY KINGSTON

AMEMBASSY LONDON

AMEMBASSY THE HAGUE

AMEMBASSY VIENNA

LIMITED OFFICIAL USE PORT OF SPAIN 1226

E.O. 11652: N/A

TAGS: ENRG TD

SUBJECT: ENERGY: STATUS OF GOTT NEGOTIATIONS WITH OIL COMPANIES

REF: POS 1069 AND PREVIOUS

SUMMARY - IN A TELEVISED SPEECH MAY 23 PRIME MINISTER WILLIAMS EMPHASIZED GOTT PLANS FOR PETROCHEMICAL DEVELOPMENT ON JOINT-VENTURE BASIS WITH MAJOR OIL COMPANIES. HE ALSO SAID THAT DETAILED DISCUSSIONS REGARDING THE GOTT'S BUY-OUT OF SHELL TRINIDAD HOLDINGS (POS 1069) WILL BEGIN IN TRINIDAD MAY 24, AND PROMISED THAT THEY WILL BE LIMITED OFFICIAL USE

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"SPEEDILY CONCLUDED". END SUMMARY.

1. IN A REPORT TO THE NATION ABOUT THE ENERGY ASPECTS OF HIS TRIP LAST WEEK TO NEW YORK, PRIME MINISTER ERIC WILLIAMS SAID HE HAD HELD A NUMBER OF DISCUSSIONS--"AT THEIR REQUEST" --WITH OFFICIALS OF OIL COMPANIES OPERATING IN TRINIDAD. AS A RESULT, HE ANNOUNCED THAT TEXACO HAS "AGREED IN PRINCIPLE" TO ESTABLISH A PETROCHEMICALS COMPLEX, THE "PRECISE SCOPE AND COST OF WHICH" ARE TO BE DETERMINED BY MUTAL CONSULTATION, IN WHICH THE GOTT WILL HOLD MAJORITY OWNERSHIP. WILLIAMS EMPHASIZED THAT THIS AGREEMENT IS ENTIRELY WITHOUT PREJUDICE TO THE EARLIER "AGREEMENT IN PRINCIPLE" WITH TEXACO FOR GOTT PARTICIPATION IN TEXACO'S PRESENT HOLDINGS, ANNOUNCED BY THE PM ON JANUARY 17 (POS 155).

2. WILLIAMS ALSO SAID THAT A STUDY ON PETROCHEMICAL DEVELOPMENT, COMMISSIONED AND CARRIED OUT BY THE U.S.-BASED TESORO PETROLEUM COMPANY (THE GOTT'S PARTNER IN TRINIDAD-TESORO), HAS BEEN COMPLETED AND IS NOW UNDER STUDY BY THE GOTT. IN ADDITION, THE AMOCO TRINIDAD OIL COMPANY IS TO SUBMIT BY THE END OF MAY ITS OWN PROPOSALS FOR FUTURE PETROCHEMICAL DEVELOPMENT IN TRINIDAD. IN CONTRAST TO THESE REPORTS OF APPARENT PROGRESS TOWARD LONG-SOUGHT GOTT GOALS, WILLIAMS COLDLY ANNOUNCED THAT DETAILED DISCUSSIONS REGARDING THE GOTT'S BUY-OUT OF SHELL'S REFINERY AND PRODUCING PPROPERTIES IN TRINIDAD WILL BEGIN MAY 24. HE SAID THAT CABINET HAD NAMED THE TRINIDADIAN NEGOTIATINGTEAM ON MAY 23, AND THAT THE GOTT "ANTICIPATES THAT THESE DISCUSSIONS WILL BE SPEEDILY CONCLUDED."

3. COMMENT: THERE IS BOUND TO BE CONSIDERABLE SKEPTICISM REGARDING THE PRIME MINISTER'S CONTINUED ANNOUNCEMENTS OF "AGREEMENTS IN PRINCIPLE", ESPECIALLY SINCE THERE HAS BEEN NO VISIBLE PROGRESS TOWARD IMPLEMENTATION OF THE FIRST SUCH AGREEMENT -- THAT FOR PARTICIPATION IN TEXACO. NEVERTHELESS, WE KNOW THAT THE GOTT HAS SOUGHT PETROCHEMICAL PROPOSALS FROM A NUMBER OF SOURCES, BELIEVING THIS TYPE OF INDUSTRIAL DEVELOPMENT TO BE A NATURAL COMPLEMENT TO TRINIDAD'S OIL AND GAS RESOURCES. IT IS PERHAPS QUITE SIGNIFICANT THAT, DESPITE EARLIER TALK OF JOINT VENTURES LIMITED OFFICIAL USE

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WITH MIDDLE EAST OR JAPANESE PARTNERS, ALL THREE PROPOSALS NOW TO RECEIVE GOTT CONSIDERATION COME FROM U.S. OIL COMPANIES ALREADY OPERATING IN TRINIDAD.
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30 JUN 2005

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